

## URGENT MODIFICATION 0724

### AMENDMENT TO RATCHET CHARGES DURING COVID-19 PERIOD

[Proposed legal text]

#### TRANSITION DOCUMENT

*Insert new paragraphs 5 and 6 in Part VI:*

#### **5 Reduced Charge**

5.1 For the purposes of this paragraph 5 and paragraph 6, "**Reduced Charge**" means:

- (a) in the case of a Class 1 Supply Point, a Class 1 Ratchet Charge calculated in accordance with TPD B4.7.7 but on the basis of one times the Applicable Annual Rate of each of the LDZ Capacity Charge and the Capacity Variable Component (if any) of the Customer Charge;
- (b) in the case of a Class 2 Supply Point, a Class 2 Ratchet Charge calculated in accordance with TPD B4.8.3 but on the basis the value for 'J' is one;
- (c) in the case of an LDZ Connected System Exit Point, a LDZ CSEP Overrun Charge calculated in accordance with TPD Section B4.8.3 but on the basis of one times the Applicable Annual Rate of the LDZ Capacity Charge;

5.2 Where during a Relevant Period in relation to an LDZ there occurs:

- (a) in relation to a Class 1 or Class 2 Supply Point located on the LDZ, a Supply Point Ratchet;
- (b) in relation to a LDZ Connected System Exit Point located on the LDZ, an overrun day,

the User shall pay the relevant Reduced Charge where the User can demonstrate the Supply Point Ratchet or (as the case may be) overrun day occurred due to a legitimate cause.

5.3 For the purposes of paragraph 5.2 "**legitimate cause**" means:

- (a) in the case of a Supply Point:
  - (i) the commencement of a new business activity; or
  - (ii) an increase in the levels of business activityat the consumer's premises;
- (b) in the case of a LDZ Connected System Exit Point;
  - (i) the commencement of a new business activity; or

- (ii) an increase in the levels of business activity

at consumers premises connected to the relevant Connected Offtake System;

where such activities are connected with mitigating the impacts of the COVID-19 pandemic.

5.4 Where a Registered User believes the Supply Point Ratchet or (as the case may be) overrun day occurred due to a legitimate cause:

- (a) it shall promptly notify the DN Operator that in its opinion such occurrence was due to a legitimate cause;
- (b) it shall submit to the DN Operator, no later than thirty (30) days after the date on which the Supply Point Ratchet or (as the case may be) overrun day occurred, evidence of which legitimate cause applied.

5.5 On receipt of the evidence referred to in paragraph 5.4(b) the DN Operator will confer with the CDSP and as soon as reasonably practicable thereafter notify the Registered User of whether or not it agrees the Supply Point Ratchet (or as the case may be) overrun day occurred due to the specified legitimate cause.

5.6 Where the DN Operator does not agree the Supply Point Ratchet (or as the case may be) overrun day occurred due to the specified legitimate cause the Registered User shall pay the Supply Point Ratchet Charge (calculated in accordance with TPD Section B4.7) or (as the case may be) the LDZ CSEP Overrun Charge (calculated in accordance with TPD Section B4.8.3).

## **6 Capacity Reduction**

6.1 Where in relation to a Class 1 or Class 2 Supply Point the Registered User is eligible to pay a Reduced Charge in accordance with paragraph 5 and the Relevant Period (in relation to the LDZ on which the Supply Point is located):

- (a) ends during a Capacity Reduction Period and there is sufficient time remaining in such period for the submission and approval of a Capacity Revision Application, the Registered User shall promptly submit a Capacity Revision Application;
- (b) ends on a date which is not within a Capacity Reduction Period, or there is insufficient remaining in such period for the submission and approval of a Capacity Revision Application, the Registered User shall submit a Capacity Revision Application no later than thirty (30) days after the end of the Relevant Period

requesting a decrease in the Supply Point Capacity to an amount equal to the Supply Point Capacity held by the Registered User at the Supply Point on 23 March 2020.

6.2 A Capacity Revision Application submitted in accordance with paragraph 6.1 shall not be taken into account for the purposes of TPD Section G5.1.14(a).